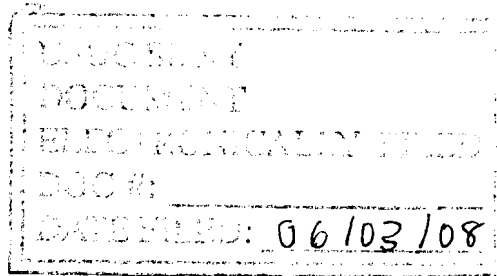


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May 29, 2008

BY FEDERAL EXPRESS

MEMO ENDORSED

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MAY 30 2008

Hon. Richard M. Berman
United States District Court
Southern District of New York
United States Courthouse
Room 201
40 Centre Street
New York, NY 10007

Re: MBIA Inc. v. Federal Ins. Co. et al., Case No. 08-CIV-4313 (S.D. N.Y.)

Dear Judge Berman:

We represent defendants Federal Insurance Company ("Federal") and ACE American Insurance Company ("ACE") in the above-captioned case. We write to request an extension of time for defendants to answer, move or otherwise plead to the Complaint and to postpone the initial pre-trial conference until after defendants file their responsive pleadings.

Federal and ACE were served with copies of the summons and Complaint on May 7, 2008 and copies of an Amended Complaint on or about May 22, 2008. Pursuant to Fed.R.Civ.P. 15(a)(3), defendants' responsive pleading is due on or about June 6, 2008. The parties are in the process of attempting to negotiate a factual stipulation that they hope will streamline the proceedings by reducing the need for discovery and that they also hope will provide a basis to present the Court with cross-motions for summary judgment. As part of that process, defendants require additional time to prepare responsive pleadings and respectfully request an extension until July 8 to answer, move or otherwise plead to the Complaint.

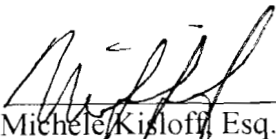
Additionally, all parties request that the Court postpone the initial pre-trial conference scheduled for June 16, 2008 until after defendants file their responsive pleadings so that the parties can attempt to make progress on the factual stipulation. The parties believe that the initial pre-trial conference would be more efficient if they were able to inform the Court at that time as to the status of the factual stipulation and the effect that the stipulation will have both on the extent, if any, of necessary discovery as well as on the ability of the parties to seek resolution of the issues in dispute through cross motions for summary judgment.

Hon. Richard M. Berman
May 29, 2008
Page 2

Counsel for MBIA consent to the relief sought herein. This is defendants' first request for an extension of time and the parties' first request for an adjournment.

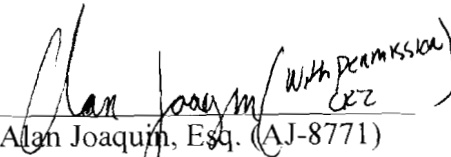
Sincerely yours,

By:


Michele Kisloff, Esq. (MK-6759)
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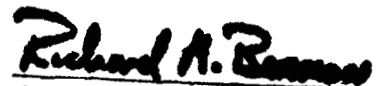
Attorneys for
Federal Insurance Company

By:

 (with permission of CEZ)
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Attorneys for
ACE American Insurance Company

cc: Counsel to all parties

Conference adjourned to 7/8/08 @ 9:00 A.M. Extension Granted. No motions absent pre-motion letter + conference, etc per Court's Rules.	
SO ORDERED: Date: 6/3/08	 Richard M. Berman, U.S.D.J.